A G Contract No KR97-1102-TRN

JPA No: 97-77

Project: 101L, Price Freeway Section: Warner Road-Frye Road

TRACS No.: H 4527 01C

### INTERGOVERNMENTAL AGREEMENT

BETWEEN
THE STATE OF ARIZONA
AND
THE CITY OF CHANDLER

### I. RECITALS

- 1. The State is empowered by Arizona Revised Statutes Section 28-401 to enter into this Agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this Agreement and has delegated to the undersigned the authority to execute this Agreement on behalf of the State
- 2. The City is empowered by Arizona Revised Statutes Section 48-572 and City Charter, Article I, Section 1.03 to enter into this Agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this Agreement and has authorized the undersigned to execute this Agreement on behalf of the City
- 3. The State has programmed the design and construction of a portion of the 101L, Price Freeway, between Guadalupe Road and Warner Road, and open to traffic in or around November 2000
- 4. The State has programmed the roadway construction of 101L, Price Freeway from Warner Road to Frye Road, (the "Project"), beginning in or around January, 2000 and open to traffic in or around December, 2001: landscape design beginning in or around May 2000 and ending around April 2001; and the landscape construction beginning in or around January 2002 and ending around December 2002.
- 5. The City desires that the roadway construction of the Price Freeway from Warner Road to Frye Road be advanced and opened to traffic by December, 2000, (the "Accelerated Project Schedule"). The landscape construction to start immediately after the completion of the roadway construction.

NO. 2654
Filed with the Secretary of State

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Vicky V. Greenewold

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- 6. The State established a State Infrastructure Bank ("SIB") as a segregated account pursuant to public law 104-59, Section 350 ("Federal Act") to, among other things, advance funds to the State and/or other political subdivisions, to accelerate State highway construction
- 7. In order to accelerate and complete construction of the Project by December, 2000, the City has requested the State, through the SIB or through other lawfully available sources, to advance part of the construction costs of the Project In addition to utilizing funds set forth in the latest approved Life Cycle Program (the "Project Programmed Funds") to pay for the Project, the State will be advanced an amount not to exceed \$26,000,000 00 from the SIB (the "SIB Loan"), to the State for such purpose (the SIB Loan and such other source of funds are collectively referred to as the "State Project Loan"). The State will fund the SIB Loan solely from funds in the SIB account. Any interest earned on the proceeds of the SIB Loan monies shall be owned by the State. The City will pay its portion of the interest accruing on the outstanding balance on the State Project Loan from the account established with the Arizona State Treasurer's Local Government Investment Pool Fund, under II B 2 below Draw downs of the State Project Loan will be based upon the actual payments to the contractor or contractors plus 9% for construction engineering. The interest paid by the City shall be paid solely from the account established with the Arizona State Treasurer's Local Government Investment Pool Fund pursuant to this Agreement. The interest earned from said account established with the Arizona State Treasurer's Local Government Investment Pool Fund will be owned by the City
- 8. The City finds and determines that this Agreement will accelerate the completion of the 101L, Price Freeway, from Warner Road to Frye Road, which is of vital importance to the general welfare of the City Further, the completed Price Freeway will assist in the creation and retention of jobs and will otherwise improve and enhance the economic welfare of the inhabitants of the City

THEREFORE, in consideration of the mutual Agreements expressed herein, it is agreed as follows:

### II. SCOPE OF WORK

### A. CONSTRUCTION OF THE PROJECT

### The State will:

- a Use its best efforts to provide to State standards, the design plans, specifications and such other documents and services necessary for bidding of the roadway construction Project, by January, 1999.
- b. Use its best efforts to provide a final construction cost estimate for the roadway Project prior to advertisement for bids in the first quarter of FY 1999, and the landscape Project prior to advertisement for bids in the first quarter of FY 2001
- c. Use its best efforts to recommend the award of one or more construction contracts for the roadway Project, to the State Transportation Board, no later than the first quarter of calendar year 1999 Administer same and make all payments to the contractor(s). Be responsible for any contractor claims for extra compensation attributable to the State
- d. Acquire all rights-of-way and easements necessary for construction of the Project.

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e. Prior to approving any single change order in excess of \$200,000.00, notify the City of the additional costs and the reason for the change order(s)

- f Provide the City on a monthly basis, a recap of contractor payments
- g. Establish the Project Programmed Funds for the payment of costs of the Project not paid from the State Project Loan in accordance with the FY99-2006 Life Cycle Program, said payments to be made approximately as set forth in Exhibit A, attached hereto and made a part hereof (the actual payment amounts and timing shall correspond with the State's actual disbursement of the Project Programmed Funds for the costs of the Project).
- h. If the current Life Cycle Program Revenues are higher or lower than expected, the advance and repayment of the State Program Loan will be subject to acceleration or delay in the same manner as any other project, but not later than December 31, 2002
- i Resume the construction of the Project as provided under the FY99-2006 Life Cycle Program, should the City decide not to proceed under this Agreement pursuant to Section II.A.2.a. or III.1.
- j. Provide financing through the State Project Loan, not to exceed \$26,000,000 00, and Project Programmed Funds to pay in full all costs, expenses, fees and charges for the construction of the Project.
- k So long as the State Project Loan remains outstanding, the State shall not recommend to the State Transportation Board any alterations, modifications or changes to the current Life Cycle Program pertaining to the Project, or any changes to the payment priorities thereunder pertaining to the Project, except as provided in II A 1 h, above.
- I. Any advance of funds in the SIB segregated account to the State, together with any repayment of any SIB Loan from the Project Programmed Funds, shall not constitute a grant.

### 2. The City will:

- a Have the right to examine the final roadway construction cost estimate and terminate this Agreement if the final roadway construction cost estimate plus 14% (contingency and construction engineering) is more than 10% higher than the FY99-2006 Life Cycle Program amount
- b Be responsible for any contractor claims for extra compensation attributable to the City.
- c. Upon completion of the roadway portion of the Project, maintain the traffic signals at Ray Road, Chandler Boulevard, and Frye Road Maintain autoscope detection devices, should the State install devices at said intersections
- d Should the City decide to terminate this Agreement pursuant to Section II A.2.a. or Section III.1, then the State will not advance funds under any State Project Loan for the Project and the State will resume the State's FY99-2006 Life Cycle Program for the construction of the Project In such event, the City will reimburse the State any fees for non-recoverable expenditures due to accelerating the Project.

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- e Cooperate with the State in connection with the administration of the State Project Loan, provided however, nothing contained herein shall obligate the City to become indebted or make any payments except as contemplated by this Agreement.
- f. Upon the State's bid advertisement of the roadway construction contract for the Project (expected to be by January, 1999), establish an interest bearing account with the Arizona State Treasurer's Local Government Investment Pool Fund, with a deposit equal to \$597,818.00, which is the estimated interest charge on a SIB Loan, as illustrated in Exhibit A, of the maximum amount allowed by this agreement, less, eligible interest paid by the State

### B STATE PROJECT LOAN

- 1 With the execution of this Agreement, the State hereby agrees to enter into an incremental SIB Loan agreement in a total amount not to exceed \$26,000,000 00, pursuant to Arizona Revised Statute Section 28-7673, and as shown on Exhibit A. Any SIB Loan will be funded from the SIB account of the State Highway Fund. The State agrees that the proceeds of the State Project Loan will be used by the State solely to pay the Project costs on a schedule as near as possible to the Accelerated Project Schedule; provided final repayment will not be later than December 31, 2002
- 2. The City agrees to pay the State interest on the funds advanced under the State Project Loan. The outstanding principal amounts of the State Project Loan shall bear interest at the rate of 3 588% per annum. The State agrees to pay a portion of the interest equal to 1 47%, as provided in the Loan Repayment Agreement, between the State and the Transportation Board, dated March 20, 1998, relating to SIB Loan No 98 Pilot-2 The City agrees to pay the balance of the interest Interest shall accrue on the principal amount of the State Project Loan from the date of each advance Interest shall be computed on the basis of a year comprised of 360 days consisting of twelve (12) months of thirty (30) days each All interest on the State Project Loan payable by the City, shall be paid by the City, on the 15th day of each month solely from the monies on deposit in the Arizona State Treasurer's Local Government Investment Pool Fund, and from no other source. All interest on the State Project Loan payable by the State, shall be paid by the State from monies in the State Highway Fund and Regional Area Road Fund (RARF) Construction Account, lawfully available for that purpose The State Project Loan shall be drawn down by the State only on an "as needed" basis to pay the actual incurred Project costs including construction engineering Interest on the State Project Loan shall cease to accrue on the date the Project Programmed Funds have paid the outstanding balance of the State Project Loan.
- 3. The State will make their best effort to reduce the cost of interest expense to the City if additional federal funds are available and/or by accelerating federal fund reimbursement.
- 4 All interest or investment income on the City account in the Arizona State Treasurer's Local Government Investment Pool Fund, shall be credited to said account. Any monies remaining in said account after payment of the accrued interest owed on the State Project Loan by the City shall be owned by and returned to the City. The State will be the sole signature on said account held by the State Treasurer

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### III. MISCELLANEOUS PROVISIONS

- 1. This Agreement shall remain in force and effect until completion of the construction of the Project, the payment by the State of the State Project Loan from the Project Programmed Funds, and payment of interest by the City and the State on the State Project Loan as provided in II B.2; provided, however, that this Agreement, except any provisions herein for reimbursement of the State's expenses in Section II A 2 d, which shall remain in effect until such time as reimbursement by the City has been completed for all monies actually paid by the State, may be terminated at any time prior to the advertisement of bids of the Project by the State, upon thirty (30) days written notice to the other party
- 2. This Agreement shall become effective upon filing with the Secretary of State This Agreement may be amended only by written consent of the parties hereto
- 3 This Agreement may be canceled in accordance with Arizona Revised Statutes Section 38-511.
- 4 The provisions of Arizona Revised Statutes Section 35-214 are applicable to this contract. The City shall have like rights regarding State and contractor records pertaining to this Agreement, and the Project.
- 5 In the event of any controversy which may arise out of this Agreement, the parties hereto agree to abide by required arbitration as is set forth for public works contracts in Arizona Revised Statutes Section 12-1518.
- 6 All notices or demands upon any party to this Agreement shall be in writing and shall be delivered in person or sent by mail addressed as follows:

Arizona Department of Transportation Joint Project Administration 205 South 17th Avenue, Mail Drop 616E Phoenix, AZ 85007

City of Chandler City Manager, Mail Stop 605 P. O. Box 4008 Chandler, AZ 85244-4008

7. Attached hereto and incorporated herein is the written determination of each party's legal counsel pursuant to Arizona Revised Statutes Section 11-952D that the parties are authorized under the laws of this state to enter into this Agreement and that the Agreement is in proper form.

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IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

CITY OF CHANDLER

STATE OF ARIZONA
Department of Transportation

Deputy State Engineer

JAY TIBSHRAENY Mayor

ATTEST:

CABOLYN DUNN

City Clerk

97-077 06Aug98

### RESOLUTION

BE IT RESOLVED on this 1st day of July 1997, that I, the undersigned LARRY S. BONINE, as Director of the Arizona Department of Transportation, have determined that it is in the best interests of the State of Arizona that the Department of Transportation, acting by and through the Intermodal Transportation Division, enter into an agreement with the City of Chandler, for the purpose of defining responsibilities to accelerate and complete construction of the Price Freeway from Warner Road to Frye Road in or arount December, 2000.

Therefore, authorization is hereby granted to draft said agreement which, upon completion, shall be submitted to the Deputy State Engineer for approval and execution.

for LARRY S. BOI

Director

# Construction - Phase A Exhibit A Page 1 Arizona Department of Transportation

\*Based on Feb. 26, 1998 T-bill rates.

Analysis of Chandler's Proposed Project Advancement

(=2.94%/2)

7 (1761)	0.0 0, 0.1.4.11	aici o i Topooci			•	1 Yr. T-bill 5.125	less		
	Proposed	Programmed	Cumulative	Cumulative		3.588%	1.47%		RARF
Start	10 Month		10 Month	10 Month	Estimated	Chandler	Discount	Chandler	Payback
Date	Payout	Payout	Payout	Payout	Total Loan	SIB Interest	Factor	Share	Schedule
Sep-98			0		0	0	0	0	· <del></del>
Oct-98	560,000		560,000		560,000	1,674	686	988	
Nov-98	560,000		1,120,000		1,120,000	3,348	1,372	1,976	
Dec-98	560,000		1,680,000		1,680,000	5,023	2,058	2,965	
Jan-99	560,000		2,240,000		2,240,000	6,697	2,744	3,953	
Feb-99	560,000		2,800,000		2,800,000	8,371	3,430	4,941	
Mar-99	560,000		3,360,000	0	3,360,000	10,045	4,116	5,929	
Apr-99	560,000		3,920,000	0	3,920,000	11,719	4,802	6,917	
May-99	560,000		4,480,000	0	4,480,000	13,393	5,488	7,905	
Jun-99	560,000	560,000	5,040,000	560,000	4,480,000	13,393	5,488	7,905	
Jul-99	560,000	560,000	5,600,000	1,120,000	4,480,000	13,393	5,488	7,905	0
Aug-99		560,000	5,600,000	1,680,000	3,920,000	11,719	4,802	6,917	694
Sep-99		560,000	5,600,000	2,240,000	3,360,000	10,045	4,116	5,929	1,387
Oct-99		560,000	5,600,000	2,800,000	2,800,000	8,371	3,430	4,941	2,081
Nov-99		560,000	5,600,000	3,360,000	2,240,000	6,697	2,744	3,953	2,774
Dec-99		560,000	5,600,000	3,920,000	1,680,000	5,023	2,058	2,965	3,468
Jan-00		560,000	5,600,000	4,480,000	1,120,000	3,348	1,372	1,976	4,161
Feb-00		560,000	5,600,000	5,040,000	560,000	1,674	686	988	4,855
Mar-00		560,000	5,600,000	5,600,000	0	0	0	0	5,549
Apr-00					0	0	0	0	5,549
May-00					0	0	0	0	•
Jun-00					0	0	0	0	•
Jul-00					0	0	0	0	4,161
Aug-00					0	0	0	0	3,468
Sep-00									2,774
Oct-00									2,081
Nov-00									1,387
Dec-00									694
Jan-01									0
	5,600,000	5,600,000				133,933	54,880	79,053	55,485

### Construction - Phase B Exhibit A Page 2

Arizona Department of Transportation

Analysis of Chandler's Proposed Project Advancement

\*Based on Feb. 26, 1998 T-bill rates.

(=2.94%/2)

\*1 Yr. T-bill 5 125 less Proposed Programmed Cumulative Cumulative 3.588% 1 47% RARF Start 20 Month 20 Month 20 Month 20 Month Estimated Total Interest Discount Chandler Paybac! Date Payout Payout Payout Payout Total Loan SIB Interest Factor Share Schedul Mar-99 0 Apr-99 292,300 292,300 292,300 874 358 516 584,600 May-99 876,900 876,900 2,622 1.074 1.547 876,900 Jun-99 1,753,800 1,753,800 5,243 2,148 3,095 Jul-99 876,900 2,630,700 2,630,700 7,865 3,223 4,642 Aug-99 1,753,800 4,384,500 4,384,500 13,108 5,371 7,737 Sep-99 2,046,100 6,430,600 6,430,600 19,225 7,877 11,347 Oct-99 2,338,400 8,769,000 8,769,000 26,216 10,742 15,474 Nov-99 2,338,400 11,107,400 11,107,400 33,206 13,607 19,600 Dec-99 2,338,400 13,445,800 13,445,800 40,197 16,471 23,726 Jan-00 2,338,400 292,300 15,784,200 292,300 15,491,900 46,314 18,978 27,337 C Feb-00 2,338,400 584,600 18,122,600 876,900 17,245,700 51,557 21,126 30,431 362 Mar-00 2,046,100 876,900 20,168,700 1,753,800 18,414,900 55,053 22,558 32,495 1,087 Apr-00 1,753,800 876,900 21,922,500 2,630,700 19,291,800 57,674 23,632 34,042 2,175 May-00 1,461,500 1,753,800 23,384,000 4,384,500 18,999,500 56,801 23,274 33,526 3,262 Jun-00 1,461,500 2.046,100 24,845,500 6,430,600 18,414,900 55.053 22,558 32,495 5,437 Jul-00 1,461,500 2,338,400 26,307,000 8,769,000 17,538,000 52,431 21,484 30,947 7,974 Aug-00 1,169,200 2,338,400 27,476,200 11,107,400 16,368,800 48,936 20,052 28,884 10,874 Sep-00 876,900 2,338,400 28,353,100 13,445,800 14,907,300 44,567 18,261 26,305 13,773 Oct-00 584,600 2,338,400 28,937,700 15,784,200 13,153,500 39,323 16,113 23,210 16,673 Nov-00 292,300 2.338,400 29,230,000 18,122,600 33,206 13,607 19,600 11,107,400 19,210 Dec-00 2,046,100 29,230,000 20,168,700 9,061,300 27,090 11,100 15,989 21,385 Jan-01 1,753,800 29,230,000 21,922,500 7,307,500 21,846 8,952 12,895 22,835 Feb-01 1,461,500 29,230,000 23,384,000 17,477 7,161 5,846,000 10,316 23,922 Mar-01 1,461,500 29,230,000 24,845,500 4,384,500 13,108 5,371 7,737 23,559 Арг-01 1,461,500 29,230,000 26,307,000 2,923,000 8,739 3,581 5,158 22,835 May-01 1,169,200 29,230,000 27,476,200 1,753,800 5,243 2,148 3,095 21,747 Jun-01 876,900 29,230,000 28,353,100 876,900 2,622 1,074 1,547 20,297 Jul-01 584,600 29,230,000 28,937,700 292,300 874 358 516 18,485 292,300 29,230,000 29,230,000 Aug-01 0 0 0 0 16,310 Sep-01 0 29,230,000 29,230,000 0 0 0 0 13,773 Oct-01 0 29,230,000 29,230,000 0 0 0 11,236 0 Nov-01 29,230,000 29,230,000 0 0 0 0 9,061 Dec-01 0 0 29,230,000 29,230,000 0 0 7,249 Jan-02 5,437 Feb-02 3,625 Mar-02 2,175 Apr-02 1,087 May-02 362 Jun-02 0 Jul-02 0 29,230,000 322,261 464,209 326,208 29,230,000 786,470

### Landscape Construction - Warner Rd. to Frye Rd. Arizona Department of Transportation

Exhibit A Page 3

Analysis of Chandler's Proposed Project Advancement

(=2.94%/2) \*1 Yr. T-bill 5.225 less

					•	1 Yr T-bill 5 225	less		
	Proposed	Programmed				3.658%	1.47%		RARF
Start	12 Month	12 Month	12 Month	12 Month	Estimated	Chandler	Discount	Chandler	Payback
Dale	Payout	Payout	Payout	Payout	Total Loan	SIB Interest	Factor	Share	Schedule
Jan-00	37,410		37.410		37,410	114	46	88	
Feb-00	87,290		124.700		124,700	380	153	227	
Mar-00 Apr-00	174,580		299.280 486.330		299,280	912	367	546	
May-00	187,050 174.580		660.910		486,330 660.910	1,482 2,014	596 810	887 1.205	
Jun-00	199,520		860,430		860,430	2.623	1,054	1.568	
Jul-00	162.110		1,022.540		1.022,540	3,117	1,253	1,864	
Aug-00	87,290		1,109,830		1,109,830	3,383	1,360	2.023	
Sep-00	74,820		1,184.650		1,184,650	3,611	1,451	2,160	
Oct-00	37,410		1,222.060		1,222,060	3,725	1,497	2,228	
Nov-00	12,470		1.234.530		1,234,530	3,763	1,512	2,250	
Dec-00	12,470		1,247,000		1,247,000	3,801	1,528	2,273	
Jan-01					1,247,000	3,801	1,528	2,273	
Feb-01					1,247,000	3,801	1,528	2,273	
Mar-01					1.247,000	3,801	1.528	2,273	
Apr-01					1,247.000	3,801	1,528	2,273	
May-01					1.247,000	3,801	1,528	2,273	
Jun-01 Jul-01					1.247,000	3,801	1,528 1.528	2,273	
Jui-01 Aug-01					1,247,000 1.247,000	3,801 3,801	1,528	2,273 2,273	
Sep-01					1,247,000	3,801	1,528	2,273	
Oct-01					1.247,000	3,801	1.528	2,273	
Nov-01					1,247,000	3,801	1,528	2,273	
Dec-01					1,247,000	3,801	1,528	2,273	
Jan-02		37,410		37,410	1,209.590	3,687	1,482	2,205	
Feb-02		87,290		124,700	1,122,300	3,421	1,375	2,046	
Mar-02		174,580		299.280	947,720	2,889	1,161	1,728	371
Apr-02		187,050		486,330	760,670	2,318	932	1,387	
May-02		174,580		660,910	586,090	1,786	718	1,068	
Jun-02		199,520		860.430	386,570	1,178	474	705	-
Jul-02		162.110		1.022.540	224.460	684	275	409	
Aug-02		87,290 74,820		1,109.830	137,170 62,350	418 190	168	250 114	
Sep-02 Oct-02		37,410		1.184.650 1.222.060	24,940	76	76 31	45	
Nov-02		12,470		1.234.530	12,470	38	15	23	
Dec-02		12,470		1.247,000	0	0	0	0	
Jan-03		,,		1,247,000	0	ō		Ō	
Feb-03				1,247.000	0	0	0	0	
Mar-03				1,247,000	0	0	0	0	
Apr-03				1,247,000	0	0	0	0	
May-03				1,247,000	0	0	0	0	
Jun-03				1.247,000	0	0	0	0	
Jul-03				1.247,000	0	0		0	•
Aug-03				1,247,000	0	0		0	
Sep-03 Oct-03				1,247.000 1.247.000	0	0		0	•
Nov-03				1.247,000	0	0		0	
Dec-03				1.247,000	0	0		0	
Jan-04				1.247.000	0	0		0	
Feb-04				1.247.000	ő	o		0	
Mar-04				1.247,000	ō	Ō		ō	
Арг-04				1.247.000	0	0		0	
May-04				1.247.000	0	0		0	
Jun-04				1.247.000	0	0		0	
Jul-04				1.247.000		0		0	
Aug-04				1.247,000		0		0	
Sep-04				1.247.000		0		0	
Oct-04				1.247.000		0		0	
Nov-04				1,247,000		0			
Dec-04	1,247,000	1,247,000	9,489,670	1,247,000	0	91,218			
C	1,247,000	, 1,271,000	5,405,670			31,210	36,662	. 54,550	, 31,111

### JPA 97-77

### APPROVAL OF THE CITY OF CHANDLER ATTORNEY

I have reviewed the above referenced proposed intergovernmental agreement, between the DEPARTMENT OF TRANSPORTATION, INTERMODAL TRANSPORTATION DIVISION, and the CITY OF CHANDLER and declare this agreement to be in proper form and within the powers and authority granted to the City under the laws of the State of Arizona. No opinion is expressed as to the authority of the State to enter into this agreement

DATED this 10th day of August, 1998

Dennis M. O'neill

City Attorney



#### STATE OF ARIZONA

### OFFICE OF THE ATTORNEY GENERAL

GRANT WOODS ATTORNEY GENERAL

1275 WEST WASHINGTON, PHOENIX 85007-2926

TRN Main: (602) 542-1680 Direct: (602) 542-8837

Fax: (602) 542-3646 MAIN PHONE: 542-5025 TELECOPIER: 542-4085

## INTERGOVERNMENTAL AGREEMENT DETERMINATION

A.G. Contract No. KR97-1102TRN, an agreement between public agencies, has been reviewed pursuant to A.R.S. § 11-952, as amended, by the undersigned Assistant Attorney General who has determined that it is in the proper form and is within the powers and authority granted to the State of Arizona.

No opinion is expressed as to the authority of the remaining parties, other than the State or its agencies, to enter into said agreement.

DATE September 2, 1998.

**GRANT WOODS** 

Attorney General

JAMES R. REDPATH

Assistant Attorney General

Transportation Section

JRR:et/14906

Enc.